

REPORTING TO CLIENTS ON THE EXECUTION POLICY

1. Introduction

As a result of the increase in financial products and the markets on which they are traded, the European Union considers it necessary to establish common standards that provide greater protection for investors in all Member States of the European Union.

To give coverage to this objective, a standard has been developed known as **MiFID** (Directive 2004/39/EC of the European Parliament and of the Council, Directive 2004/73/EC of the European Commission and Regulation (EC) 1287/2006 of the European Commission), which regulates the activity of entities which provide investment services or carry out activities involving financial instruments.

This standard places particular emphasis on the obligation of investment firms to implement an **Execution Policy** with the aim of offering their clients the best possible result in terms of order execution.

The aim of this declaration is to satisfy the demand to raise client awareness of the most important aspects that make up the INTERMONEY VALORES, SV, SA **Execution Policy**.

2. Scope of application

The Execution Policy applies to clients classified as Retailers and Professionals, according to the MiFID regulation, when providing a service that involves the execution and/or transmission/receipt of client orders involving financial instruments for which INTERMONEY, SV, SA is duly authorised, and recognised as such by MiFID.

INTERMONEY VALORES, SV, SA is not obliged to achieve the “best execution” in relation to orders from clients classified as Eligible Counterparties.

3. Execution Policy

INTERMONEY VALORES SV, SA has taken all the reasonable measures to achieve the best possible result in executing and/or transmitting/receiving to/from third parties client orders involving the financial instruments described in the MiFID regulation.

In this sense, INTERMONEY VALORES, SV, SA possesses effective optimum execution systems, including an execution policy that describes the INTERMONEY VALORES, SV principles governing execution and the firm's duties and responsibilities towards its clients in the execution and/or transmission/receipt of orders.

To achieve the best execution possible for its clients, INTERMONEY VALORES, SV, SA shall consider:

1. Factors such as:

- Price
- Costs
- Speed
- Probability of execution

- Volume and feasibility of settlement
- Any other factor which, due to its nature, may affect the result of execution

It will also take into account the type of client and the nature of the order.

2. Possible execution venues:

INTERMONEY VALORES, SV, SA shall select an execution venue that allows the firm to satisfy the provisions of its execution policy in each specific case.

To this effect, the following locations are to be considered as execution venues:

- Official secondary markets
 - Multilateral trading systems
 - Systematic internalisers
3. If specific instructions should be received from a client in regard to the way in which an order is executed, INTERMONEY VALORES, SV, SA shall execute the order following the instructions, understanding that it must in this case perform its obligations in the interests of the client.

4. Relative importance of factors of execution

a) Price

Of the possible execution venues which satisfy the conditions of reasonable access for the execution of an order, INTERMONEY VALORES, SV, SA shall give priority to the factor of price, understanding that the firm itself must satisfy the conditions of sufficient liquidity.

b) Execution costs

The concept of “optimum execution result” is to be determined in terms of total consideration, understood as the total of the price and all costs related to the execution of the order. Such costs may include: intermediation, clearing and settlement, execution venue rates, and any other third party expenses necessary for the execution.

c) Speed, probability of execution, volume and feasibility of settlement

These factors shall be taken into account depending on the financial instrument on which the transaction is to be executed, given that the valuation of such factors is conditioned by the nature of the execution venues at which the instruments are traded and by the characteristics of each product.

5. Execution of orders

INTERMONEY VALORES, SV, SA, in pursuit of the best possible execution result, may proceed to execute client orders either directly or through their transmission to other intermediaries.

1. Direct execution

For direct execution purposes, INTERMONEY VALORES, SV, SA shall use any of the Execution Venues by financial instrument type, as listed in “Annex I”.

2. Transmission of orders to third parties

INTERMONEY VALORES, SV, SA shall transmit client orders to other intermediaries for execution only when it does not have direct access to the appropriate execution venues for achieving the best possible result.

In such cases, INTERMONEY VALORES, SV, SA shall adopt the following measures:

- It shall verify that the chosen intermediaries have established their own execution policies that allow INTERMONEY VALORES, SV, SA to satisfy its own optimum execution policy
- INTERMONEY VALORES, SV, SA shall select as intermediary any entity that can prove itself capable of achieving results equal to or better than any other intermediary in regard to optimum execution
- The firm shall establish execution agreements with one or more intermediaries

6. Acceptance of the execution policy

The MiFID regulation requires that INTERMONEY VALORES, SV, SA obtain prior consent from each of its clients in regard to its Execution Policy before executing any order given by that client.

To this end, it is to be understood that INTERMONEY VALORES, SV, SA will obtain said prior consent from each client either by means of specific contractual documentation or, once the client has received information on the firm's Execution Policy, through the transmission of an order by said client for execution without expressing any objection to such information.

7. Revision of the execution policy

INTERMONEY VALORES, SV, SA shall review the efficacy of its Execution Policy on a regular basis, at least once per year, in order to detect and, if appropriate, rectify any deficiencies in its application.

Moreover, the firm shall periodically check that all Execution Venues and intermediaries are satisfying the criteria that systematically produce the best possible results for its clients.

Clients shall be duly informed of any significant changes made to the order Execution Policy described in this document. This does not necessarily include or exclude any particular execution venue, intermediary or instrument.

ANNEX (from the document in Annex VII)
EXECUTION VENUES AND CURRENT INTERMEDIARIES

Execution Centres for GOVERNMENT BONDS

Intermoney VALORES, SV, SA is a member of SEND (Electronic Trading System of Debt) which is a trading platform for retail customers on spanish government or corporate debt.

Execution Centres for SHARES

Product	Execution Centre	Description	Access
SHARES	NYSE - Euronext	Paris, Lisbon, Brussels, Amsterdam	Direct
	Xetra	German Stock Exchange	Direct
	BME - Madrid	Madrid Stock Exchanges	Direct
	MTA	Italian Stock Exchange	Intermediary
	LSE (SETS)	London Stock Exchange	Intermediary
	Suiss Exchange (Virt-X, SWX)	Swiss Stock Exchange	Intermediary
	ISE (Irish Stock Exchange)	Dublin Stock Exchange	Intermediary
	Vienna Stock Exchange	Vienna Stock Exchange	Intermediary
	ATHEX – Atenas	Athens Stock Exchange	Intermediary
	OMX – Estocolmo	Stockholm Stock Exchange	Intermediary
	OSE (Oslo Stock Exchange)	Oslo Stock Exchange	Intermediary
	OMX – Copenhagen	Copenhagen Stock Exchange	Intermediary
	OMX – Helsinki	Helsinki Stock Exchange	Intermediary
	Nyse / Nasdaq / Amex/ Pink / Sheet / Bulletin	Nyse/ Nasdaq/Amex	Intermediary
	Toronto Stock Exchange	Toronto Stock Exchange	Intermediary
	ASX	Australian Stock Exchanges	Intermediary
	HSI	Hong Kong Stock Exchanges	Intermediary
TSE	Tokio Stock Exchanges	Intermediary	
Multilateral Trading Facility			
Aquis / Bats / Chi-X / Instinet / Posit / Turquoise		Multi markets	Intermediary

Execution Centres for OPTIONS AND FUTURES

Product	Execution Centre	Description	Access
OPTIONS AND FUTURES	MEFF	Spain	Direct and Intermediary
	EUREX	Germany and Switzerland	Intermediary
	ICE Futures Europe	London	Intermediary
	NYSE EURONEXT	Amsterdam, Brussels, Paris and Portugal	Intermediary
	CBOE	Future Exchange USA	Intermediary
	CBOT	Chicago Board of Trade	Intermediary
	CME	Chicago Mercantile Exchange	Intermediary
	COMEX	Commodity Exchange	Intermediary
	Italian Exchange Option and Future	Italy	Intermediary
	MFE	Canada	Intermediary
	SIMEX	Singapor	Intermediary
	OSAKA	Japan	Intermediary

Intermediaries employees for INTERMONEY VALORES, SV, SA to access the markets in which it isn't a member are:

RBC CAPITAL MARKETS

CIMD, SV, SA

G- TRADE

CONVERGEX EXECUTION SOLUTION LLC

KGC NEONET SECURITIES

NEWEDGE

P&K Securities

BANCA IMI

TECHNOLOGY GROUP (ITG).